

AMENDED IN ASSEMBLY FEBRUARY 4, 2014

AMENDED IN SENATE MAY 29, 2013

AMENDED IN SENATE MAY 28, 2013

AMENDED IN SENATE MAY 15, 2013

AMENDED IN SENATE MAY 7, 2013

AMENDED IN SENATE APRIL 23, 2013

AMENDED IN SENATE APRIL 15, 2013

## SENATE BILL

**No. 777**

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**Introduced by Senator ~~Calderon~~ Hernandez**  
**(Coauthors: Senators Calderon, Cannella, Correa, Evans, Galgiani,**  
**Hancock, and Vidak)**  
**(Coauthor: Assembly Member Chesbro)**

February 22, 2013

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~~An act to amend Sections 12556 and 12726 of, to add Sections 12599.5 and 12635.5 to, and to add Chapter 3.5 (commencing with Section 12559) to Part 2 of Division 11 of, the Health and Safety Code, and to amend Section 15301 of the Vehicle Code, relating to public safety. An act to amend Section 19605.75 of, and to add Sections 19605.76, 19605.77, and 19605.78 to, the Business and Professions Code, relating to horse racing.~~

### LEGISLATIVE COUNSEL'S DIGEST

SB 777, as amended, ~~Calderon Hernandez. Public safety: fireworks. Horse racing: workers' compensation.~~

*Until January 1, 2014, the provisions of the Horse Racing Law required a thoroughbred racing association and fair that conducts a*

*racine meeting to deduct a percentage of the total amount handled in exotic parimutuel pools of thoroughbred racing, to be distributed to a specified organization for the purpose of defraying costs of workers' compensation insurance in connection with thoroughbred horse racing. Until January 1, 2014, provisions of the Horse Racing Law authorized similar deductions from the total amount handled for races for quarter horses and other breeds, and for harness races, to be distributed to specified organizations for defraying workers' compensation for trainers and owners in connection with those races.*

*This bill would reestablish those provisions requiring the deduction specified above to be made by a thoroughbred racing association, and would reestablish those provisions authorizing the deductions to be made for races for quarter horses and other breeds, and for harness races. Because a violation of the Horse Racing Law is generally a misdemeanor, the bill would create new crimes, thereby imposing a state-mandated local program.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

~~Existing law authorizes the retail sale of safe and sane fireworks from June 28 to July 6, annually, pursuant to a license issued by the State Fire Marshal, unless otherwise prohibited or regulated by law or ordinance. Existing law requires various entities, including the State Fire Marshal, to seize certain prohibited fireworks. Existing law requires an authority that seizes fireworks to notify the State Fire Marshal of the seizure and provide specified information. Existing law requires the State Fire Marshal to dispose of the fireworks and requires dangerous fireworks to be disposed of according to specified procedures. Existing law requires the State Fire Marshal to acquire and use statewide mobile dangerous fireworks destruction units to collect and destroy dangerous fireworks from local and state agencies.~~

~~This bill would require the State Fire Marshal, by January 1, 2015, to establish and have operational regional collection centers for the purpose of receiving seized safe and sane and federally approved fireworks. The bill would authorize the State Fire Marshal to permit a state licensed fireworks importer and exporter or wholesaler to purchase any fireworks the State Fire Marshal, the Department of Toxic~~

Substances Control, and a recognized 3rd-party testing entity, as defined, deem to be commercially viable, from the State Fire Marshal. The bill would require any revenue received from the sale to belong to the seizing local authority and would authorize the State Fire Marshal to enter into a revenue sharing agreement with that local authority, as provided. The bill would require the fireworks stored at the regional collection facility to be subject to certain requirements, including that they be stored for a period of not more than 90 days. The bill would require the Department of Toxic Substances Control to develop and publish guidelines for the implementation of these provisions, as provided.

This bill would authorize, beginning January 1, 2015, the sale of certified safe and sane fireworks from 9 a.m. on December 26 to 11:59 p.m. on January 1 of the following year pursuant to a license issued by the State Fire Marshal, if authorized by a charter city, city, county, fire protection district, or city and county ordinance or resolution that may also restrict the hours of use of those fireworks. Since a violation of this provision or other existing related provisions in connection with the sale of those fireworks would be a misdemeanor, the bill would impose a state-mandated local program by creating new crimes.

The bill would also authorize a charter city, city, county, fire protection district, or city and county that adopts an ordinance or resolution authorizing the sale of safe and sane fireworks to require each applicant receiving a permit to pay a fee to the charter city, city, county, fire protection district, or city and county of a pro rata portion of the actual and reasonable costs incurred by the charter city, city, county, fire protection district, or city and county for, among other things, processing and issuing fireworks permits, inspection of fireworks stands, public awareness and education campaigns regarding the safe and responsible use of safe and sane fireworks, and related fire operation and suppression efforts, as specified. The bill would specify that the pro rata portion of those costs shall be based on a percentage of the permittee's sales and use tax return for the applicable permit period, not to exceed 7% of the gross sales of the fireworks sold in the charter city, city, county, fire protection district, or city and county, except that a cost recovery ordinance or resolution in effect on or before January 1, 2015, would be authorized to supersede that provision.

Existing law provides that if dangerous fireworks are seized pursuant to a local ordinance that provides for administrative fines or penalties and these fines or penalties are collected, the local government entity collecting the fines or penalties shall forward 65% of the collected

moneys to the Controller for deposit in the State Fire Marshal Fireworks Enforcement and Disposal Fund.

~~This bill would delete this provision.~~

~~The bill would require, not later than January 1, 2015, the State Fire Marshal to collect and analyze data relating to fires, damages, seizures, arrests, administrative citations, and fireworks disposal issues caused by the sale and use of both dangerous illegal fireworks and safe and sane fireworks, as provided.~~

~~Existing law requires the Department of Motor Vehicles to suspend the commercial license of a person transporting dangerous fireworks, as specified.~~

~~This bill would clarify that those provisions do not apply to a person with a valid license under the State Fireworks Law, as specified.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 19605.75 of the Business and Professions  
2     Code is amended to read:

3     19605.75. (a) The Legislature finds and declares that the  
4     existence of high caliber thoroughbred racing in California is  
5     important to this state's agricultural economy. The California horse  
6     racing industry is being threatened by the escalating costs of doing  
7     business in California, including, but not limited to, workers'  
8     compensation insurance costs, in that these costs are not only  
9     causing thoroughbred horses and trainers to leave this state, but  
10    are also discouraging owners and trainers from bringing horses  
11    into this state to compete. It is the intent of the Legislature to  
12    provide some relief from these escalating costs through the  
13    redistribution of the parimutuel handle on exotic wagers.

14    (b) Notwithstanding Section 19610, every thoroughbred  
15    association and fair that conducts a racing meet shall deduct an  
16    additional 0.5 percent of the total amount handled in exotic  
17    parimutuel pools of thoroughbred races.

1 (c) The funds collected pursuant to subdivision (b) from exotic  
2 parimutuel pools on thoroughbred races within the inclosure of a  
3 thoroughbred association or fair conducting a race meeting, at  
4 satellite wagering facilities within this state, and through advance  
5 deposit wagering by residents of this state, shall be distributed to  
6 the organization described in subdivision (f) to be used in  
7 accordance with subdivision (e).

8 (d) Any thoroughbred association or fair that authorizes a betting  
9 system located outside of this state to accept exotic wagers on its  
10 races and to combine those wagers in the association's or fair's  
11 exotic parimutuel pools, including, but not limited to, a  
12 multijurisdictional wagering hub as to exotic wagers made by  
13 residents other than those of this state, shall deduct the amount  
14 specified in subdivision (b) in addition to any other applicable  
15 deductions specified in law. The amount deducted pursuant to this  
16 subdivision shall be distributed to the organization described in  
17 subdivision (f) to be used in accordance with subdivision (e). This  
18 additional deduction shall not be included in the amount on which  
19 license fees are determined pursuant to Section 19602.

20 (e) The amounts distributed to the organization described in  
21 subdivision (f) shall be deposited by that organization in a separate  
22 account to defray the costs of workers' compensation insurance  
23 incurred in connection with thoroughbred horses that race in this  
24 state at thoroughbred associations and racing fairs through the  
25 payment of supplemental premiums that reduce rates, payment to  
26 or for the benefit of trainers and owners of such thoroughbreds,  
27 based on the number of such thoroughbreds they start, in order to  
28 reimburse them for the costs of workers' compensation insurance  
29 directly or indirectly incurred by them, and other appropriate  
30 payments. Any funds that are not used for the purposes set forth  
31 in this subdivision shall, after an affirmative vote of at least 25 of  
32 the voting interests of the organization described in subdivision  
33 (f), either be carried forward to the subsequent year, or be used to  
34 reimburse racing associations for the actual cost of health and  
35 safety programs, research or safety equipment, or making capital  
36 improvements that are designed to prevent workplace accidents  
37 and increase the safety of jockeys, exercise riders, backstretch  
38 employees, and other racetrack personnel. Those capital  
39 improvements shall include, but not be limited to, safety  
40 improvements to racing and training surfaces. All requests for

1 reimbursements shall be approved by the board. In developing  
2 proposals for approval by the board, the association shall confer  
3 with their horsemen's organizations and all affected labor  
4 organizations or associations.

5 (f) The thoroughbred racing associations and the owners'  
6 organization described in subdivision (b) of Section 19613 shall  
7 form an organization to which funds shall be distributed pursuant  
8 to subdivisions (c) and (d). This organization shall have a total of  
9 34 voting interests, of which 16 shall be allocated to the  
10 organization representing thoroughbred owners pursuant to Section  
11 19613, one shall be allocated to the official registering agency for  
12 thoroughbreds in California, and one shall be allocated to the  
13 organization representing thoroughbred trainers pursuant to Section  
14 19613. The remaining 16 votes shall be allocated among the  
15 licensed racing associations and racing fairs in the state. Each  
16 racing association and fair shall receive the portion of these  
17 remaining votes represented by the sum of exotic wagering on its  
18 races divided by the statewide total of exotic wagering in the  
19 preceding calendar year, excluding ~~Breeders~~ *Breeders'* Cup races.  
20 Fractional voting shall be permitted. Any decision of this  
21 organization with respect to the allocation of funds pursuant to  
22 subdivisions (c) and (d) shall require the affirmative vote of 25 of  
23 these voting interests. In the event that the required number of  
24 affirmative votes cannot be obtained, the matter shall be submitted  
25 to the board for a decision consistent with subdivision (e), and the  
26 decision of the board shall be final.

27 (g) ~~(f)~~ The organization formed pursuant to this section shall  
28 account annually to the board with respect to the expenditure and  
29 distribution of funds received by the organization pursuant to  
30 subdivisions (c) and (d), and shall obtain an independent audit of  
31 fund generation and distribution. A copy of the completed audit  
32 shall be forwarded to the board within 45 days of its receipt by the  
33 organization.

34 ~~(2) No earlier than 18 months and no later than two years~~  
35 ~~following the effective date of this section, the organization~~  
36 ~~described in subdivision (f) shall commission an independent~~  
37 ~~evaluation of the effectiveness of the distributions under this~~  
38 ~~section along with recommendations for any improvements or~~  
39 ~~modifications regarding the program created in this section. A~~  
40 ~~copy of that evaluation along with a report detailing the~~

1 organization's response to the evaluation shall be filed with the  
2 board within 30 days of the receipt of the final evaluation.

3 (h) ~~Between January 1, 2014, and July 1, 2014, any unexpended~~  
4 ~~funds collected under this section shall be distributed to~~  
5 ~~organizations formed and operated pursuant to Sections 19607 and~~  
6 ~~19607.2 based upon the total thoroughbred handle in their~~  
7 ~~respective zones in the year 2013.~~

8 (i) ~~Except for subdivision (h), this section shall become~~  
9 ~~inoperative on January 1, 2014, and as of January 1, 2015, this~~  
10 ~~entire section is repealed, unless a later enacted statute, that is~~  
11 ~~enacted before January 1, 2015, deletes or extends that date.~~

12 *SEC. 2. Section 19605.76 is added to the Business and*  
13 *Professions Code, to read:*

14 *19605.76. (a) Notwithstanding Section 19610, a quarter horse*  
15 *racing association may deduct an additional 0.5 percent of the*  
16 *total amount handled in its exotic parimutuel pools. This additional*  
17 *deduction shall only be permitted with the approval of the*  
18 *organization representing quarter horsemen and horsewomen at*  
19 *the applicable racing association meet.*

20 *(b) Any funds collected pursuant to subdivision (a) from exotic*  
21 *parimutuel pools on races within the inclosure of a racetrack, at*  
22 *satellite wagering facilities within this state, and through advance*  
23 *deposit wagering by residents of this state, shall be distributed to*  
24 *the organization described in subdivision (e) to be used in*  
25 *accordance with subdivision (d).*

26 *(c) Any quarter horse racing association that authorizes a*  
27 *betting system located outside of this state to accept exotic wagers*  
28 *on its races and to combine those wagers in the association's exotic*  
29 *parimutuel pools, including, but not limited to, a multijurisdictional*  
30 *wagering hub as to exotic wagers made by residents other than*  
31 *those of this state, may deduct the amount specified in subdivision*  
32 *(a) in addition to any other applicable deductions specified in law.*  
33 *Any amount deducted pursuant to this subdivision shall be*  
34 *distributed to the organization described in subdivision (e) to be*  
35 *used in accordance with the provisions of subdivision (d). This*  
36 *additional deduction shall not be included in the amount on which*  
37 *license fees are determined pursuant to Section 19602.*

38 *(d) The amounts distributed to the organization described in*  
39 *subdivision (e) shall be deposited by that organization in a separate*  
40 *account to defray workers' compensation insurance costs for*

1 *trainers and owners who are racing horses at the applicable*  
2 *quarter horse racing association meet. Any funds not expended*  
3 *for this purpose in the calendar year in which they are collected*  
4 *may either be used for the following year's workers' compensation*  
5 *costs, as specified above, or to benefit the purse pools at the track*  
6 *where the funds are generated. Funds to benefit purse pools shall*  
7 *be allocated by breed, in the same proportions as each breed*  
8 *generated in deductions under this section at the track in the year*  
9 *the funds were collected.*

10 *(e) The quarter horse racing association and the organization*  
11 *representing quarter horsemen and horsewomen shall form an*  
12 *organization to which any funds deducted pursuant to subdivisions*  
13 *(b) and (c) shall be distributed. The quarter horse associations*  
14 *collectively shall have representation equal to that of the*  
15 *organization representing quarter horsemen and horsewomen on*  
16 *the governing board of the organization formed pursuant to this*  
17 *subdivision.*

18 *(f) If the quarter horse racing association and the organization*  
19 *representing quarter horsemen and horsewomen cannot agree on*  
20 *the manner for distributing these funds to defray the costs of*  
21 *workers' compensation insurance, the matter shall be submitted*  
22 *to the board for a decision consistent with subdivision (d), and the*  
23 *decision of the board shall be final.*

24 *SEC. 3. Section 19605.77 is added to the Business and*  
25 *Professions Code, to read:*

26 *19605.77. (a) Notwithstanding Section 19610, a harness racing*  
27 *association may deduct an additional 1 percent of the total amount*  
28 *handled in conventional parimutuel pools of harness races. This*  
29 *additional deduction shall only be permitted with the approval of*  
30 *the organization representing harness horsemen and horsewomen*  
31 *at the applicable racing association meeting.*

32 *(b) Any funds collected pursuant to subdivision (a) from*  
33 *conventional parimutuel pools on harness races within the*  
34 *inclosure of a racetrack, at satellite wagering facilities within this*  
35 *state, and through advance deposit wagering by residents of this*  
36 *state, shall be distributed to the organization described in*  
37 *subdivision (e) to be used in accordance with subdivision (d).*

38 *(c) Any harness racing association that authorizes a betting*  
39 *system located outside of this state to accept conventional wagers*  
40 *on its races and to combine those wagers in the association's*



1 conventional parimutuel pools, including, but not limited to, a  
2 multijurisdictional wagering hub as to conventional wagers made  
3 by residents other than those of this state, may deduct the amount  
4 specified in subdivision (a) in addition to any other applicable  
5 deductions specified in law. Any amount deducted pursuant to this  
6 subdivision shall be distributed to the organization described in  
7 subdivision (e) to be used in accordance with the provisions of  
8 subdivision (d). This additional deduction shall not be included  
9 in the amount on which license fees are determined pursuant to  
10 Section 19602.

11 (d) The amounts distributed to the organization described in  
12 subdivision (e) shall be deposited by that organization in a separate  
13 account and used to reduce the workers' compensation insurance  
14 costs for trainers who are racing horses at the applicable harness  
15 racing association meet. Any funds not expended for this purpose  
16 in the calendar year in which they are collected may either be used  
17 for the following year's workers' compensation costs, as specified  
18 above, or to benefit the harness purse pool at the track where the  
19 funds are generated.

20 (e) The harness racing association and the organization  
21 representing harness horsemen and horsewomen shall form an  
22 organization to which any funds deducted pursuant to subdivisions  
23 (b) and (c) shall be distributed. The harness associations  
24 collectively shall have representation equal to that of the  
25 organization representing harness horsemen and horsewomen on  
26 the governing board of the organization formed pursuant to this  
27 subdivision.

28 (f) If the harness racing association and the organization  
29 representing harness horsemen and horsewomen cannot agree on  
30 the manner for distributing these funds to defray the costs of  
31 workers' compensation insurance, the matter shall be submitted  
32 to the board for a decision consistent with subdivision (d), and the  
33 decision of the board shall be final.

34 SEC. 4. Section 19605.78 is added to the Business and  
35 Professions Code, to read:

36 19605.78. (a) Notwithstanding Section 19610 and in addition  
37 to the deduction specified in subdivision (b) of Section 19605.75,  
38 a fair may deduct an additional 0.5 percent of the total amount  
39 handled in exotic parimutuel pools of races for any breed, other  
40 than races solely for thoroughbreds. This additional deduction

1 *shall only be permitted for a breed's races with the approval of*  
2 *the organization representing the horsemen and horsewomen of*  
3 *that breed at the fair.*

4 *(b) Any funds collected pursuant to subdivision (a) from exotic*  
5 *parimutuel pools on races within the inclosure of a racetrack, at*  
6 *satellite wagering facilities within this state, and through advance*  
7 *deposit wagering by residents of this state, shall be distributed to*  
8 *the organization described in subdivision (e) to be used in*  
9 *accordance with subdivision (d).*

10 *(c) Any fair that authorizes a betting system located outside of*  
11 *this state to accept exotic wagers on its races and to combine those*  
12 *wagers in the association's exotic parimutuel pools, including,*  
13 *but not limited to, a multijurisdictional wagering hub as to exotic*  
14 *wagers made by residents other than those of this state, may deduct*  
15 *the amount specified in subdivision (a) in addition to any other*  
16 *applicable deductions specified in law. Any amount deducted*  
17 *pursuant to this subdivision shall be distributed to the organization*  
18 *described in subdivision (e) to be used in accordance with the*  
19 *provisions of subdivision (d). This additional deduction shall not*  
20 *be included in the amount on which license fees are determined*  
21 *pursuant to Section 19602.*

22 *(d) The amounts distributed to the organization described in*  
23 *subdivision (e) shall be deposited by that organization in a separate*  
24 *account to defray workers' compensation insurance costs for*  
25 *trainers and owners who are racing breeds other than*  
26 *thoroughbreds at the applicable fair. Any funds not expended for*  
27 *this purpose in the calendar year in which they are collected may*  
28 *either be used for the following year's workers' compensation*  
29 *costs, as specified above, or to benefit the purse pool of each breed*  
30 *at the particular fair where the funds are generated in the same*  
31 *proportions as each breed generated at that fair in the year the*  
32 *funds are collected.*

33 *(e) The fairs and the organizations representing the horsemen*  
34 *and horsewomen of each breed for which deductions have been*  
35 *approved under subdivision (a) shall form an organization to*  
36 *which any funds deducted pursuant to subdivisions (b) and (c)*  
37 *shall be distributed. The fairs collectively shall have representation*  
38 *equal to the collective representation of the organizations*  
39 *representing horsemen and horsewomen on the governing board*  
40 *of the organization formed pursuant to this subdivision.*

1     (f) *If the fairs and the organizations representing horsemen and*  
2 *horsewomen cannot agree on the manner for distributing these*  
3 *funds to defray the costs of workers' compensation insurance, the*  
4 *matter shall be submitted to the board for a decision consistent*  
5 *with subdivision (d), and the decision of the board shall be final.*

6     SEC. 5. *No reimbursement is required by this act pursuant to*  
7 *Section 6 of Article XIII B of the California Constitution because*  
8 *the only costs that may be incurred by a local agency or school*  
9 *district will be incurred because this act creates a new crime or*  
10 *infraction, eliminates a crime or infraction, or changes the penalty*  
11 *for a crime or infraction, within the meaning of Section 17556 of*  
12 *the Government Code, or changes the definition of a crime within*  
13 *the meaning of Section 6 of Article XIII B of the California*  
14 *Constitution.*

15     ~~SECTION 1. Section 12556 of the Health and Safety Code is~~  
16 ~~amended to read:~~

17     ~~12556. (a) In addition to the obligations described in Section~~  
18 ~~13110.5, on or before July 1, 2008, the State Fire Marshal shall~~  
19 ~~identify and evaluate methods to capture more detailed data relating~~  
20 ~~to fires, damages, and injuries caused by both dangerous fireworks~~  
21 ~~and safe and sane fireworks. These evaluation methods shall~~  
22 ~~include a cost analysis related to capturing and reporting the data~~  
23 ~~and shall meet or exceed the specificity, detail, and reliability of~~  
24 ~~the data captured under the former California Fire Incident~~  
25 ~~Reporting System (CFIRS). The State Fire Marshal shall furnish~~  
26 ~~a copy of these evaluation methods to any interested person upon~~  
27 ~~request.~~

28     ~~(b) Not later than January 1, 2015, the State Fire Marshal shall~~  
29 ~~collect and analyze data relating to fires, damages, seizures, arrests,~~  
30 ~~administrative citations, and fireworks disposal issues caused by~~  
31 ~~the sale and use of both dangerous illegal fireworks and safe and~~  
32 ~~sane fireworks. The State Fire Marshal shall collect data pursuant~~  
33 ~~to a methodology developed in consultation with the State Fire~~  
34 ~~Marshal's General Fireworks Advisory Committee, which consists~~  
35 ~~of representatives from local fire service and law enforcement~~  
36 ~~agencies and the fireworks industry.~~

37     ~~SEC. 2. Chapter 3.5 (commencing with Section 12559) is added~~  
38 ~~to Part 2 of Division 11 of the Health and Safety Code, to read:~~

1           ~~CHAPTER 3.5. FIREWORKS SELL-BACK PROGRAM~~

2  
3       ~~12559. (a) By January 1, 2015, the State Fire Marshal shall~~  
4 ~~establish and have operational regional collection centers for~~  
5 ~~purposes of receiving safe and sane fireworks and federally~~  
6 ~~approved consumer fireworks seized by local authorities.~~

7       ~~(b) The regional collection centers shall be located throughout~~  
8 ~~the state in an amount and in locations determined by the State~~  
9 ~~Fire Marshal.~~

10       ~~12559.1. (a) Notwithstanding Section 12723, and upon~~  
11 ~~compliance with Section 12726, a local authority or the State Fire~~  
12 ~~Marshal may transfer seized safe and sane fireworks and federally~~  
13 ~~approved fireworks to a regional collection center. Any fireworks~~  
14 ~~transferred pursuant to this subdivision shall remain under the~~  
15 ~~ownership of the seizing local authority.~~

16       ~~(b) Safe and sane or federally approved fireworks transferred~~  
17 ~~to a regional collection center shall be deemed “hazardous material”~~  
18 ~~until the State Fire Marshal, Department of Toxic Substances~~  
19 ~~Control, and a recognized third-party testing entity make the~~  
20 ~~determination pursuant to subdivision (c).~~

21       ~~(c) (1) The State Fire Marshal is authorized to permit a~~  
22 ~~recognized third-party testing entity to enter the regional collection~~  
23 ~~center for purposes of making a determination with the State Fire~~  
24 ~~Marshal and the Department of Toxic Substances Control as to~~  
25 ~~whether any seized fireworks are either commercially viable or~~  
26 ~~hazardous waste.~~

27       ~~(2) Any firework deemed commercially viable may be~~  
28 ~~repackaged by the State Fire Marshal or the State Fire Marshal’s~~  
29 ~~designee, including, but not limited to, a state licensed fireworks~~  
30 ~~importer and exporter, a wholesaler purchasing the product~~  
31 ~~pursuant to subdivision (d), the recognized third-party testing~~  
32 ~~authority, or a licensed hazardous materials or hazardous waste~~  
33 ~~hauler.~~

34       ~~(3) Any product deemed not commercially viable by the State~~  
35 ~~Fire Marshal, the Department of Toxic Substances Control, and~~  
36 ~~the third-party testing authority shall be removed from the regional~~  
37 ~~collection center by the State Fire Marshal or the State Fire~~  
38 ~~Marshal’s designee and transported and disposed of within 72~~  
39 ~~hours of the determination in accordance with all federal and state~~  
40 ~~hazardous waste laws and regulations.~~

1     ~~(d) (1) The State Fire Marshal shall authorize a state-licensed~~  
2     ~~fireworks importer and exporter or wholesaler to purchase any~~  
3     ~~fireworks deemed to be commercially viable pursuant to~~  
4     ~~subdivision (e) from the State Fire Marshal. Revenue received~~  
5     ~~from the sale shall belong to the seizing local authority.~~

6     ~~(2) The State Fire Marshal may enter into an agreement with a~~  
7     ~~local authority for purposes of sharing revenue from the sale of~~  
8     ~~fireworks pursuant to paragraph (1). The agreement shall allocate~~  
9     ~~no less than 65 percent of the revenues to that local authority with~~  
10    ~~the balance going to the state.~~

11    ~~(e) For purposes of this section, “recognized third-party testing~~  
12    ~~entity” means an independent third-party testing entity recognized~~  
13    ~~by the federal Consumer Product Safety Commission as an~~  
14    ~~acceptable testing entity for consumer fireworks.~~

15    ~~(f) Upon the purchase of fireworks, pursuant to this chapter, a~~  
16    ~~state-licensed fireworks importer and exporter or wholesaler shall~~  
17    ~~accept full liability for any damage done by the fireworks and the~~  
18    ~~State of California shall be indemnified.~~

19    ~~12559.2.— Any fireworks stored at a regional collection center~~  
20    ~~shall be subject to the requirements of Article 8 (commencing with~~  
21    ~~Section 989) of Chapter 6 of Title 19 of the California Code of~~  
22    ~~Regulations and to the requirements of the National Fire Protection~~  
23    ~~Association (NFPA) 1124: Code for the Manufacture,~~  
24    ~~Transportation, Storage, and Retail Sales of Fireworks and~~  
25    ~~Pyrotechnic Articles of 2013, and may be stored for a period not~~  
26    ~~to exceed 90 days. The regional collection centers shall not be~~  
27    ~~considered a storage facility for purposes of subdivision (b) of~~  
28    ~~Section 25123.3.~~

29    ~~12559.3.— (a) The State Fire Marshal and the Department of~~  
30    ~~Toxic Substances Control shall train local fire and law enforcement~~  
31    ~~personnel on the requirements of this chapter.~~

32    ~~(b) The State Fire Marshal shall, in consultation with relevant~~  
33    ~~state and local public agencies, the fireworks industry, and other~~  
34    ~~relevant stakeholders, develop, publish, and provide necessary~~  
35    ~~guidance and training to local agencies that seize, collect, transport,~~  
36    ~~store, and treat seized fireworks. This training and education may~~  
37    ~~include, but is not limited to, the following specific areas:~~

38    ~~(1) Standards for the transportation, storage, and handling of~~  
39    ~~fireworks and pyrotechnic articles in accordance with Chapter 6~~  
40    ~~(commencing with Section 975) of Division 1 of Title 19 of the~~

~~California Code of Regulations and the National Fire Protection Association (NFPA) 1124: Code for the Manufacture, Transportation, Storage, and Retail Sales of Fireworks and Pyrotechnic Articles of 2013.~~

~~(2) Recognition of explosive materials and isolation procedures in accordance with Chapter 10 (commencing with Section 1550) of Division 1 of Title 19 of the California Code of Regulations and the National Fire Protection Association (NFPA) 495: Explosive Materials Code of 2013.~~

~~(3) Recognition of commercial, consumer, and illegal fireworks in accordance with Chapter 6 (commencing with Section 975) of Division 1 of Title 19 of the California Code of Regulations and the National Fire Protection Association (NFPA) 1124: Code for the Manufacture, Transportation, Storage, and Retail Sales of Fireworks and Pyrotechnic Articles of 2013.~~

~~12559.4. The Department of Toxic Substances Control shall develop and publish guidelines for the implementation of this chapter that includes, but is not limited to, the following specific areas:~~

~~(a) Standards for the proper handling, transport, and storage of fireworks that are hazardous materials for the purposes of this chapter.~~

~~(b) Standards for the proper handling, transport, and disposal of fireworks that are hazardous waste.~~

~~(c) A determination of the type of facility that qualifies as a regional collection center.~~

~~(d) A definition of “commercially viable” for the purposes of this chapter that ensures that fireworks that should be disposed of as waste are not resold.~~

~~SEC. 3. Section 12599.5 is added to the Health and Safety Code, to read:~~

~~12599.5. (a) Notwithstanding Sections 12599 and 12672, the State Fire Marshal shall issue separate one-time retail licenses pursuant to this section that shall authorize the retail sale of safe and sane fireworks within this state only from 9 a.m. on December 26 to 11:59 p.m. on January 1 of the following year, inclusive. A license issued pursuant to this section shall be valid for only one seven-day period and shall expire at the end of the period for which it is valid. All fireworks sold pursuant to a license issued pursuant to this section shall have been certified as safe and sane by the~~

1 State Fire Marshal on or before June 15 of the year in which the  
2 validity of the license commences. No other license issued pursuant  
3 to this chapter shall authorize the sale of fireworks during that  
4 period.

5 (b) A retail license shall not be issued for the license period  
6 authorized by this section unless the charter city, city, county, fire  
7 district, or city and county having jurisdiction over the fixed  
8 location where the fireworks would be sold adopts an ordinance  
9 or resolution allowing that sale, and the application for that license  
10 is received by the State Fire Marshal on or before December 15  
11 of the year in which the validity of the license is to commence.  
12 The ordinance or resolution authorizing the sale of those fireworks  
13 may limit the period of use of those fireworks to specified days  
14 and hours within the period during which the sale is authorized by  
15 this section.

16 (c) This section shall become operative on January 1, 2015.

17 SEC. 4. Section 12635.5 is added to the Health and Safety  
18 Code, to read:

19 12635.5. (a) A charter city, city, county, fire protection district,  
20 or city and county that adopts an ordinance or resolution pursuant  
21 to Section 12599 or 12599.5 may, through adoption of an ordinance  
22 or resolution by the governing body, require each applicant  
23 receiving a permit to pay a fee to the charter city, city, county, fire  
24 district, or city and county of a pro rata portion of the actual and  
25 reasonable costs the charter city, city, county, fire protection  
26 district, or city and county incurs that is related to any of the  
27 following:

28 (1) Processing and issuing permits.

29 (2) Inspection of fireworks stands.

30 (3) Public education and awareness campaigns regarding the  
31 safe and responsible use of safe and sane fireworks, and the dangers  
32 and risks posed by the use of illegal fireworks.

33 (4) Enforcing the provisions of the code of the charter city, city,  
34 county, fire protection district, or city and county with respect to  
35 the sale and use of safe and sane fireworks, including extra  
36 personnel time and cleanup of the fireworks trash and debris. "Extra  
37 personnel time" means employee or contracted employee time that  
38 the charter city, city, county, fire protection district, or city and  
39 county would not otherwise incur but for the sale and use of safe  
40 and sane fireworks.

~~(5) Fire operation and suppression efforts that are directly related to safe and sane fireworks.~~

~~(b) The pro rata share of the costs shall be specified in the ordinance or resolution and calculated using gross sales as shown on each permittee's sales and use tax return for the applicable period. The pro rata share of costs shall not exceed 7 percent of the gross sales of the fireworks sold in the charter city, city, county, fire protection district, or city and county during the applicable period. A cost recovery ordinance or resolution in effect on or before January 1, 2015, may supersede this subdivision.~~

~~SEC. 5. Section 12726 of the Health and Safety Code is amended to read:~~

~~12726. (a) The dangerous fireworks seized pursuant to this part shall be disposed of by the State Fire Marshal in the manner prescribed by the State Fire Marshal at any time after the final determination of proceedings under Section 12724, or upon final termination of proceedings under Section 12593, whichever is later. If no proceedings are commenced pursuant to Section 12724, the State Fire Marshal may dispose of the fireworks after all of the following requirements are satisfied:~~

~~(1) A random sampling of the dangerous fireworks has been taken, as defined by regulations adopted by the State Fire Marshal pursuant to Section 12552.~~

~~(2) The analysis of the random sampling has been completed.~~

~~(3) Photographs have been taken of the dangerous fireworks to be destroyed.~~

~~(4) The State Fire Marshal has given written approval for the destruction of the dangerous fireworks. This approval shall specify the total weight of the dangerous fireworks seized, the total weight of the dangerous fireworks to be destroyed, and the total weight of the dangerous fireworks not to be destroyed.~~

~~(b) To carry out the purposes of this section, the State Fire Marshal shall acquire and use statewide mobile dangerous fireworks destruction units to collect and destroy seized dangerous fireworks from local and state agencies.~~

~~SEC. 6. Section 15301 of the Vehicle Code is amended to read:~~

~~15301. (a) The Department of Motor Vehicles, in conjunction with the State Fire Marshal, shall develop regulations and procedures to temporarily suspend the commercial motor vehicle license of a person who is operating a commercial motor vehicle~~



1 while transporting dangerous fireworks having a gross weight of  
2 10,000 pounds or more.

3 (b) A driver of a commercial motor vehicle shall not operate a  
4 commercial motor vehicle for three years if the driver is convicted  
5 of transporting dangerous fireworks having a gross weight of  
6 10,000 pounds or more.

7 (c) This section shall not apply to a person who holds and is  
8 operating within the scope of a valid license as described in Section  
9 12516 of the Health and Safety Code or valid permit as described  
10 in Section 12522 of the Health and Safety Code.

11 SEC. 7. The provisions of this act are severable. If any  
12 provision of this act or its application is held invalid pursuant to  
13 the federal Resource Conservation and Recovery Act, that  
14 invalidity shall not affect other provisions or applications that can  
15 be given effect without the invalid provision or application.

16 SEC. 8. No reimbursement is required by this act pursuant to  
17 Section 6 of Article XIII B of the California Constitution because  
18 the only costs that may be incurred by a local agency or school  
19 district will be incurred because this act creates a new crime or  
20 infraction, eliminates a crime or infraction, or changes the penalty  
21 for a crime or infraction, within the meaning of Section 17556 of  
22 the Government Code, or changes the definition of a crime within  
23 the meaning of Section 6 of Article XIII B of the California  
24 Constitution.